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## ***The Mongolia Monitor***

***News from USAID/Mongolia***

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**Political Update:** This edition of the Monitor comes to you somewhat later than usual, as we held off sending it out pending clarification of the political situation here. For those of you who might not know, on January 11, the ten Ministers from the Mongolian People's Revolutionary Party (MPRP) resigned from the 18-member Cabinet, thus triggering the dissolution of the de facto coalition government led by Prime Minister Ts. Elbegdorj of the Democratic Party that had ruled Mongolia since September 2004. After two weeks of maneuvering, on January 25 the State Great Hural (the national Parliament, 38 of whose 76 members hail from the MPRP) approved the MPRP's nomination of former Ulaanbaatar Mayor and current MPRP Chairman M. Enkhbold, 41, to serve as Mongolia's 23<sup>rd</sup> Prime Minister.

Prime Minister Enkhbold has yet to name a Cabinet; speculation continues that it will consist of a majority of MPRP members plus representatives from the Erel (Motherland) Party, the Republican Party, and the new People's Party. The Democratic Party – the largest member of the Motherland-Democracy Coalition that fought the MPRP to a virtual draw in the September 2004 Parliamentary elections – has declined to participate in the new government, as has the Civil Will-Republican Party led by influential Member of Parliament S. Oyun. Those parties, which together hold 27 seats in Parliament, have announced their intention to form a "shadow Cabinet" so as to better prepare themselves to contest the 2008 Parliamentary elections and eventually return to office. It is expected, however, that several Democratic Party "renegades", including former Prime Minister (and defeated 2005 Presidential candidate) M. Enkhsaikhan, may join Prime Minister Enkhbold's new Cabinet.

**Mission News:** In December, USAID/Mongolia was delighted to welcome the arrival of new Program Officer Cory Johnston and his wife Victoria Whall. Cory was thrown immediately into the breach when Senior Program Manager Jeff Goodson departed for Texas on December 17 and USAID Representative Skip Waskin headed to Florida on December 24, thus leaving Cory to serve as Acting USAID Representative for most of January. Cory's arrival in Mongolia is most timely inasmuch as Jeff will be on TDY to Afghanistan until late March.

# USAID PROGRAM NEWS

## STRATEGIC OBJECTIVE 1: PRIVATE SECTOR-LED ECONOMIC GROWTH

### **Economic Policy Reform and Competitiveness Project (EPRC)**

*Chemonics*

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#### *Economic, Financial, and Trade Policy Support*

### **Tax reform**

**Tax reform facilitation.** With tax reform remaining a priority for Parliament, the project is supporting a variety of entities: the Parliamentary Tax Working Group (PTWG), the Budget Standing Committee, and individual MPs. In December, this process included numerous meetings to help Parliament Members develop presentations for Parliamentary tax retreats, plus performing data analyses and other preparatory work in anticipation of the initial readings of the tax package currently before Parliament. EPRC intends to continue this support as long as is necessary to accomplish the desired results.

Another element of this support is the development of model tax laws. At the request of the PTWG, the project had already developed and presented corporate and personal income tax laws reflecting international best practices. While Parliament is prohibited by Mongolian law from considering any tax proposals other than those submitted by Government, the MPs wanted examples to use in modifying the submitted proposals. In December, EPRC completed the initial draft of a value-added tax law; this draft will be completed and presented, in both English and Mongolian, to the PTWG in January.

**Parliamentary Tax Retreats.** Two additional Parliamentary Tax Retreats were staged in December. Attendance continued to be strong, particularly from the leadership. The chairs of both the Budget and Economic Standing Committees were present at both, along with the members of the PTWG and the head of the MPRP caucus. It is a positive sign that Parliament members have transitioned into taking the lead on the retreats, both in terms of scheduling them and in making the actual presentations.

*Meeting of Saturday, 3 December:* Held at Ikh Tenger, the primary objectives of this fourth retreat included:

- Modern value-added tax regimes and implications for Mongolia
- The Mongolian cashmere chain and its implications for tax policy
- Housing finance for lower income families and fiscal policy implications

The latter two topics were included at the specific request of PTWG members at the previous retreat.

*Meeting of Monday, 19 December:* The fifth and last retreat of 2005 was the first held during the workweek and the first held at Government House. The intent of this retreat was to prepare Parliament members to discuss the VAT system and the general competitiveness of Mongolian in the international markets. Specific topics included:

- Recommendations for the Mongolian value-added tax law and system, including potential revenue balancing with import taxes
- Country competitiveness and taxes on labor, presented by MP Zandanshatar

It is anticipated the retreats will continue in February. Parliament will initiate discussions in January, and additional effort will be expended during the recess. Parliament is currently scheduled to reconvene in April for the spring session.

#### **Analytic work in support of the tax reform package:**

- **Foreign trade in 2005:** The share of raw materials in export continues to shrink. During the first ten months of 2005, export of minerals and metals increased by 30% while export of other goods increased by 2% (i.e., declined in real terms).
- **Shadow economy and national accounts:** 29% of gross domestic monetary household income is declared for taxation; 12% of total private sector income is declared for taxation; 50% of Mongolia's economy belongs to an "economic shadow"; 33% of persons employed are pay personal income tax (PIT).
- **Performance of textile industry in 2005 ("post-MFA"):** during the first ten months of 2005 gross manufacturing output declined by 26% compared with the same period of 2004. Output of textiles declined by 41%. Output of wearing apparel declined by 69%.
- **PIT:** The introduction of a new PIT regime, recommended by the Parliamentary Tax Working Group (flat 10% rate and monthly tax credit of 7,000 MNT, or approximately \$6), would benefit all employees who currently do not receive allowances.
- **CIT:** The PTWG is considering various possibilities for changes to the Corporate Income Tax (CIT), which now consists of two brackets, 15% and 30%. One possibility is to increase the threshold for application of the 30% bracket from 100 million MNT (\$82,000) to 3 billion MNT (\$245 million). Had this change been in effect 2004, EPRC's analysis concludes that this measure would have cost the Mongolian government only 1.6% of its revenue.
- **Value added tax (VAT):** The PTWG intends to support a cut in VAT from the current 15% for most goods to a flat 10%, while increasing the customs (import tax) from 5% to 10%. According to our analysis, if this change is accompanied by the abolishment of most exemptions, it should be fiscally neutral.
- **Immovable property tax (IPT):** The PTWG has been considering introducing a 0.6% IPT on residential housing. This tax would have a number of positive effects, including neutralizing the regressiveness of a flat PIT and flat VAT. Additional revenue from this tax would be about 1% of the budget.
- **Customs (import tax):** PTWG is considering increasing the customs rate from the current 5% to 10%. EPRC has done a study of 2004 customs revenue and calculated that the cost of exemptions currently granted to different importers and categories of goods amounts to about one-third of customs revenue. PTWG is considering abolishing some of these exemptions, which would increase budget revenue by 2%.

#### **Cluster and Business Development Support**

#### **Tourism**

**Tourism portal.** In December, short-term expert Christopher Seek assessed the tourism portal's progress to date and developed a draft business plan for the portal company. The assessment concluded that the portal, as designed, is feasible and commercially viable. The business plan considers the structure and ownership of the company, the range of products offered, operating systems, site content, and marketing strategies. EPRC will now commission phase two of the site development to commence January, with the site planned to be on-line by mid February. The business plan is available in draft form; the final version will be published by January 20.

**Khentii Chinggis Trail Community Conference.** The conference, coordinated by EPRC and held in Onderkhan, laid down the Khentii tourism strategy for 2006, which will be the 800<sup>th</sup>

anniversary of Mongolian statehood. Khentii Aimag (province) is believed to have been the birthplace of Chinggis Khan, and thus will be a focal point of 800<sup>th</sup> Anniversary celebrations.

## **Natural fibers**

**Cashmere linkages with UK and Europe.** Production of cashmere scarves has begun with the first batch due for delivery to the UK for finishing in March.

Bruce Harris, senior business development advisor at EPRC, visited the UK intermediary and significant players in UK in December 2005. Consequently, the chief buyer for a major menswear chain and the quality inspectors for a second retail chain will visit Mongolia in January to inspect premises and discuss capacities and potential supply programs with Mongolian cashmere companies. The UK intermediary will come to Mongolia immediately prior to the inspection visit to prepare and coach the companies. The visit also confirmed a growing interest in Mongolian cashmere as an alternative to Chinese.

Mr. Harris also visited the Berlin distribution hub to discuss the marketing strategy for 2006, including trade fairs in Düsseldorf and a TV endorsement program.

**Spinning Capacity.** In spring 2005, EPRC commissioned a report on the Mongolian cashmere value chain, which highlighted market opportunities for investors in high quality yarn spinning and dyeing plants. Subsequently, a major Mongolian-owned company recently made a significant investment in a spinning and dyeing line to be imported from Italy and commissioned in March/April 2006. EPRC staff have been advising the company and have now been approached for technical assistance through the project's Business Development Fund to provide oversight of the installation and commissioning.

The development of high quality spinning capacity in Mongolia is fundamental to the growth of the cashmere finished goods sector (value added, knitting and weaving) as it reduces dependency on the current inflexible and monopolistic supply and/or import of yarns from China.

## **Finance**

**Local private equity fund gains momentum.** EPRC has continued to provide guidance to the new local investment bank, MICC, as it continues its efforts to establish a private equity fund. The project assisted in initial discussions with a major SME equity fund manager who is considering providing technical assistance in conjunction with an investment by the Asian Development Bank. The fund manager will be submitting this deal to its Board of Directors for approval in January.

## **Energy Sector Support**

**Energy Law.** With the Ministry having decided not to submit planned amendments to the Energy Law to Parliament until April, EPRC is again pushing for a full rewrite of the law.

**Energy Master Plan update.** Initial discussions on the preparation of an update to the 2002 Energy Master Plan were initiated. EPRC is now planning to collaborate with the Ministry of Fuel and Energy to develop a vision and an implementation plan, which will take elements like regional economic growth, least cost planning, and the role of renewable energy into account.

**Commercialization of energy companies.** The Ministry requested that EPRC initiate the development of a standard, bankable coal purchase and sale agreement between the Mongolian generating companies and coal mines. Implementation of these new contracts will encourage the generating and coal companies to act in a more commercial fashion. The contract will also have the additional benefit of providing the coal companies with longer-term secured sales, and will

give them the opportunity to negotiate for financing of mine improvement projects to reduce production costs by increasing mining efficiency, thus stabilizing coal prices. More predictable fuel pricing is expected to bring an element of stability to energy rates.

**Energy sector finance:** Chief accountants and other accounting and budget representatives from each of the Central Energy System companies attended daylong workshops hosted by EPRC in December. These workshops presented the results of EPRC's reviews and subsequent adjustments to the 2004 financial statements (which had concluded that the energy sector is operating far more deeply in the red than had previously been supposed). Attendee response was surprisingly positive, and project staff were able to unveil what had been suspected but not known due to traditional accounting practices. A short follow-up to this session will be held with the audit companies responsible for auditing the companies' 2005 financial statements to ensure that all involved parties are up to speed.

**Government Resolution 233 of 2005:** After fifteen months of encouraging the Ministry of Finance to remove the restrictions on proper accounting for assets, the Finance Minister signed this new Government Resolution on December 13. For the first time all business entities will now be permitted to maintain asset accounting records in accordance with international standards. This new resolution requires each company to determine the true estimated useful lives for assets, thus recognizing that these lives will differ in many cases. This is particularly relevant for the energy sector, given the impact of depreciation on tariff calculations.

### *Public Education/National Dialogue Support*

**Open Government holds live national chat on the budget.** On December 13, MPs Zandanshatar, Purevdorj, Tserenbaljir and Ganhuyag participated in a national dialogue on tax reform on the Open Government website. It was carried live over national TV, radio, and the internet. The participants expressed their own views and analysis on tax reform of Mongolia and answered questions raised from public. The events generated 8,790 hits from 400 unique visitors on the internet. 272 questions were received including 37 from the internet, 110 from telephone call-ins, 121 from cellular phone messages, and four from the audience. It is estimated that over 600,000 Mongolians watched or listened to the program.

## **The Gobi Initiative Phase II**

### ***Mercy Corps International and PACT***

**Gobi clients generate over \$1M in revenues.** It has been another productive year for herders and business clients assisted by the Gobi Initiative. By the end of December, some 162 herder groups and cooperatives had successfully implemented their business plans with technical assistance and training provided by the project and the Mercy Corps loan guarantee fund. Total sales worth US\$ 1,012,000 have been generated by these herder businesses.

**Dairy production training held.** In collaboration with the Mongolian/Japanese supported FAO Special Program for Food Security Project "Increasing Dairy Production and Supply in Mongolia", training on improving the quality of dairy production and milk processing was organized for 16 aimag-based local consultants that provide technical assistance to GI herder clients. The training was held in Ulaanbaatar on December 16-17, and provided technical and practical instruction on using modern equipment recently installed in the FAO supported Dairy Training Center.

**Gobi clients receive nearly half million dollars in loans.** A total of 200 GI clients, of which 178 are herders, received a loan under the project and used the funds to carry out their business plans in 2005. The total value of these loans exceeded US \$474,000. These loans were partially guaranteed by Mercy Corps. An internal assessment of the loan guarantee program was conducted in December. The report and findings will be published in January 2006.

**GI to support development of 250 business plans in 2006.** GI staff worked hard this month on helping clients to develop their 2006 business plans. GI plans to assist over 170 herder clients and approximately 80 non-herder businesses in 2006. GI aimag-based program officers provided the initial technical assistance to the herder clients as they developed their business plans with UB-based program officers reviewing completed plans.

**Training videos released.** Rural Business News (RBN) finished the production of two training videos that will be used by the GI Aimag offices for training of GI clients: one business planning video and one video on how to cultivate and harvest vegetables in the Gobi region.

### **The GER Initiative** *CHF International*

In December, 71 businesses were improved or expanded, 10 new startups were created, 134 people were matched to jobs, and 54 new job placements were generated. The GER Initiative also carried out an assessment of the 118 businesses that were started last Fiscal Year. Of those, 85 are still operating.

**Training and Consulting.** GER provided consulting services to 340 clients and business training to 186 clients this month. Based on the needs of restaurants and cafes in Ulaanbaatar, a restaurant consultant organized a half day basic hygiene training the covered the requirements of the Professional Inspections Office. 19 people participated in the training. The project continues to train VET Net's veterinarians, and last month, 19 clients received bookkeeping training. GER Initiative staff also continued the project's collaboration with the GTZ carpentry project, and seven carpenters received advanced consultancy.

**Financial Services.** GER facilitated 112 loans in December worth \$124,830, and 34 Capital Augmentation Fund (CAF) loans were disbursed worth \$17,037. As of the end of November, 16 of the 714 outstanding facilitated loans in the portfolio are in arrears, and nine of 177 outstanding CAF loans in the portfolio are in arrears. For the life of the project, there are five defaults in facilitated loans, and one defaulted CAF loan.

In December, 18 members of Darkhan Noos— a felt cooperative - received CAF loans for working capital and equipment totaling \$8,374. A major fire in the Bumbugur trade market affected five UB GER Initiative clients with outstanding loans. Two of them are CAF loans with an outstanding value of \$786. CHF is working with partner banks to restructure their payments. Project staff are also monitoring 10 GER clients who have loans and are operating their businesses in the buildings adjacent to the site of the fire. They also may have trouble paying back their loans on time if customers stop going to their businesses.

**Information.** In December, 291 people accessed information services from the project. In Ulaanbaatar, the project organized a meeting with the District Land Authority and GER clients in the Dambadarjaa office. Fourteen Ger Area residents participated. The Land Authority Officer answered many questions regarding the privatization of land, and promised to resolve land issues of two clients. In Erdenet, project staff met with the Local Land Department, which expressed interest in working with the GER Initiative to improve public awareness of how to obtain real estate and immovable asset certificates.

In Erdenet, GER conducted an information session to identify the type of assistance needed by young adults who want to start their own businesses but lack skills and knowledge. Eight people ranging in ages from 18 to 31 participated in the two hour session. As a result, new clients were registered and matched with GER advisors, and specific trainings based on their feedback and requests are being planned. In Ulaanbaatar, all branches organized meetings with their khoroo

(local) government offices in December to share the achievements of the project in their areas and to discuss issues and activities the project and the local government can work on jointly.

**Linkages.** Last month, the GER Initiative facilitated 18 sales linkages worth over \$8,000, as well as 53 input linkages with an estimated value of more than \$2,000. GER initiated relationships with two new mining companies: Red Path Mining and Engineers and Western Prospectors, as well as Bishreft Trading. The GER Initiative organized an Artisan Holiday Fair on December 2-3 with Ekh San – a local artisan NGO. Khan Bank, Mongolian Women's Federation and Leos sponsored the fair. 32 clients participated with sales of \$1,465.

**Business Associations.** In Darkhan, 54 vegetable growers participated in a planning meeting to improve their businesses by basing their production on the demands of the customer and working in groups. GER Initiative business and agricultural advisors introduced the following ideas to improve their sales next year: a vegetable needs survey to identify types of vegetables that could be sold in the more affluent UB marketplace with little competition from Chinese products; selling production to pig farmers and herders in the area; possibilities and limitations of growing in Mongolian soil and climate and approximating profit calculations before planting. The advantages of working in a group were also discussed, and two successful vegetable groups shared their experiences. Seven upscale Ulaanbaatar restaurants participated in the survey that demonstrated a strong demand for "exotic" vegetables. The group will continue to meet monthly to discuss what to grow and how to ensure a good harvest. The Erchim (yak hair rope group) business group has received an award from the Chamber of Commerce as one of the ten best microbusinesses in Orkhon aimag.

**Employment Services.** This month, 259 clients participated in employment and vocational training. In Ulaanbaatar, GER continues to work closely with the Mongolian Builders Association Training Center. 14 GER Initiative clients have trained in that center and obtained jobs, and 22 more are being trained. Last month, the training center held an orientation session for GER advisors to explain what types of professions they train in, what are the advantages of their center, and what they are looking for in a trainee. 20 GER clients are training at the Mongolian Cashmere and Wool Company to become knitters and assemblers, and 22 clients are receiving vocational training in a variety of professions through the Sukhbaatar Employment Office. In Erdenet, 21 GER clients are working at the Erdenet Carpet Company as apprentices after finishing a short training course. The apprentice period will last three months.

**Other.** U.S. Embassy Deputy Chief of Mission Brian Goldbeck and Commercial Officer Michael Richmond visited the GER Initiative offices in Erdenet and Darkhan. During their visits, they met with GER staff as well as various clients at their worksites to observe the progress of their small businesses.

## **STRATEGIC OBJECTIVE #2**

### **MORE EFFECTIVE AND ACCOUNTABLE GOVERNANCE**

#### **Judicial Reform Project (JRP) *National Center for State Courts (NCSC)***

**New website with case information launched.** The Unified Information System website is up. It contains information for all cases in all courts in Mongolia. The case information database was created by the JRP. Cases have complete names of parties, except in those cases where their privacy is protected by law. This information should be of great value not only to lawyers, but also to those who assess credit risks. Currently, the website is available to those institutions that are connected by fiber optic cable to the World Bank financed Unified Information System. The website should be available to all World Wide Web users in January.



**Court staff given computer training.** The JRP completed five days of computer training for court staff. They were trained on updated court software, installation of relevant upgrades, internal network usage, troubleshooting, and how to upload/update court data at regular intervals to the Unified Information System.

**Recommendations to improve Disciplinary Code made.** Jack Marshall completed his work with the Judicial Disciplinary Committee staff, leaving them with recommendations for changes to the Disciplinary Code, changes to their procedures, and training materials. However, because of delays in the President appointing new members to the Disciplinary Committee, he was unable to have a meeting with the full membership. The JRP and Judicial Disciplinary Committee will make a presentation to the new committee when they are appointed.

## **Mongolian Electoral and Parliamentary Support Project** *International Republican Institute (IRI)*

**US ethics advisors consult with MPs.** IRI brought Mr. Bill Somerville, Ethics Advisor to the General Assembly of the State of Maryland, to consult with MPs and GOM officials on pending ethics legislation in the SGH from December 5-9. Mr. Somerville discussed ethics issues with MP's during a seminar-discussion titled "MP's ethics and conflict of interest" at Government House on December 5.

**Parliament Speaker vows to pass ethics legislation.** Mr. Somerville met with key MPs and Committee Chairs including Parliamentary Speaker Nyamdorj to get support for the pending ethics legislation. Speaker Nyamdorj stated he would support ethics legislation, and predicted that it will be enacted by the SGH.

**First open committee hearing organized.** On December 13, IRI met with Economic Committee Chairman Damiran to discuss details of the first open committee hearing in the SGH that is to be held – with IRI support - on February 6, 2006. On December 16, IRI met with MPs Batbayar, Damiran, and Avdai to discuss the open committee hearing draft procedure suggested by IRI. These draft procedures meet international standards.

**Open hearing procedure approved.** On 30 December, Open Hearing Procedure was approved by Economic Standing Committee.

**Election law approved.** IRI Held consultations with the local NGO Voter Education Center and with the General Election Commission regarding proposed changes to the Election Law and the Law on Central Electoral Organs. The amended Election Law was approved by the SGH on December 29.

## **OTHER USAID/MONGOLIA PROJECTS**

### **Eastern Steppes Living Landscape Project** *Wildlife Conservation Society*

**2005 field season ends.** December marked the end of the 2005 WCS field season in the Eastern Steppe with the hosting of a visiting scientist and a final round of livestock/wildlife health data collection. Country Program Director Amanda Fine left Mongolia in mid-December. Before returning to Mongolia, she will engage with the Living Landscapes New York-based staff to facilitate the cross-site learning and collaboration that is a part of the global Living Landscapes Program. The WCS office in Ulaanbaatar is open and operating.



## **Illegal Wildlife Trade**

**Enforcement of Wildlife Trade Law.** The WCS Mongolia Program Office had an initial meeting with U.S. Embassy of Mongolia staff to identify Mongolian participants in a training program organized by TRAFFIC Russia and funded by the State Department's Bureau of Oceans and International Environmental and Scientific Affairs through the U.S. Embassy in Moscow. The goal of the training is to address the emerging issues surrounding illegal trade in wildlife resources (tigers, musk deer, saiga antelope, etc.) and the role of China, Russia, and Mongolia in addressing those issues.

## **Field Research**

**International Collaboration.** Dr. Roland Frey, an evolutionary morphologist from the Leibniz Institute for Zoo and Wildlife Research in Berlin, worked in the field with WCS gazelle biologist, Odonkhuu Daria, for three weeks in December. The team traveled throughout the Eastern Steppe to observe the Mongolian gazelle rut (breeding season) and collect the first high quality audio recordings of Mongolian gazelle vocalizations during the rut. The Mongolian gazelle has an extremely large larynx or voice box and its function and evolution is of great interest to evolutionary morphologists. Data collected during the December fieldwork will be analyzed in Dr. Frey's laboratory in Berlin and shared with the WCS Mongolian gazelle project and larger scientific community.

**Gazelle Field Work.** Data from the satellite collars placed on four Mongolian gazelles captured to the east and west of the Mongolia-China railroad in October continues. The final 2005 collection of samples for livestock/wildlife disease analysis was performed and the samples have been transported to Ulaanbaatar for processing.

## **Training, Advocacy and Networking (TAN) Project** *Mercy Corps International*

**Tan expands to three more aimags.** Newly selected civil society organization (CSO) coordinators have started activities in Arkhangai, Khentii, and Bulgan aimags. During the Bagh (District) Governors meeting held in UB November 29-30, aimag coordinators gained a thorough understanding of the project, its experience in Dundgobi and Uvurhangai, and their role in supporting civil society.

**Community Mobilization.** The TAN Project focuses on community mobilization activities in selected baghs of the targeted aimags. One of the initial activities is to select a bagh and conduct an awareness raising event called, "One Day in a Bagh" (ODB). In Arkhangai Aimag, the project conducted an ODB on December 17 involving 560 citizens from the 2<sup>nd</sup> bagh of Erdenebulgan Soum (county). During this event, bagh citizens received information on the planned activities of the project, information about CSOs working in their aimag, and services provided by State agencies such as the Social Welfare department, Aimag Children's Center, and the Health Department. During the trip, TAN staff also met with aimag authorities and representatives of the aimag Citizens Hural (the provincial legislature) to introduce the goals and objectives of the project.

**CSO Network and Capacity Building.** The TAN Project Officer went to Dundgobi Aimag to facilitate a self-evaluation exercise of the capacity building activities for five CSOs that were selected in each of these two aimags. In Dundgobi, the five CSOs received six types of training and designed plans to improve their services. The evaluation concluded that 70-80% of planned activities were completed. The remaining 20% are those activities that required larger financial resources.

**Social Procurement.** Currently, two CSOs in Uvurhangai have contracted services from local government departments. The Scouts Committee received MNT 250,000 (about \$200) from the Aimag health authority to conduct a survey on oral and hand hygiene among pre-school and school age children. The Youth Union received MNT 300,000 (about \$250) to conduct a campaign on prevention of STDs and HIV/AIDS.

### **PACT Community REACH HIV/AIDS Grant** *PACT*

**New TV drama series to begin production in January.** The scripting process of the planned 26-part TV drama series “Living Under the Same Sun” is virtually complete. The last six episodes have been sent out for review. Pact has received comments on earlier scripts and has incorporated these into the series.

**PACT to explore other channels for broadcasting new program.** Pact will co-produce the series with an independent production studio which brings together a highly skilled freelance film production crew from across the country. Pact has also met with the head of Mongolian National TV, and examined ways in which the relationship between the two can be strengthened. Pact will also be exploring other possible avenues of broadcast with TV5, TV9, and Channel 25.